

Notes for PowerPoint



What Is *Quality Care for Quality Kids*?

A quality rating system combined with a tiered reimbursement system for child care

- ★ 5-star, research-based rating system
- ★ Child care subsidy program linked to star ratings

Quality Care for Quality Kids is a quality rating system combined with a tiered reimbursement system for child care. We will examine what a quality rating system is, and how it can be linked with tiered reimbursement.

Two key features of Quality Care for Quality Kids:

A 5-star quality rating system for child care programs, based on research on child care quality.

Payments from Wisconsin Shares, the child care subsidy system, are linked to the quality ratings.

Is the System Easy to Understand?

- ★ The 5-star system is similar to many other consumer ratings:

- Hotels
- Restaurants
- Movies



Who Proposed and Developed *Quality Care for Quality Kids*?

Governor Jim Doyle: May 2004

- ★ Announced plan for *KidsFirst* budget initiative

Task Force:

December 2004

- ★ 21-member Task Force
 - ★ 6-months of deliberation
 - ★ Unanimous recommendation to the Governor
- Governor's budget proposal - January 2005**
Next Steps: Legislative Approval – July 2005

Who Proposed *Quality Care for Quality Kids*?

In May 2004, Governor Jim Doyle announced plans for a budget initiative, *KidsFirst*, that included *Quality Care for Quality Kids*.

At the Governor's request, the Department of Workforce Development appointed a 21-member Task Force from across the state to recommend what the system would look like. The Task Force worked for 6 months, reviewing child care research, examining what other states have done, and analyzing alternative approaches. In December the Task Force made a set of unanimous recommendations to the Governor. The Task Force recommended what the system should look like, but did not address the details of implementation.

The Governor's biennial budget proposal was proposed in January 2005. *Quality Care for Quality Kids* also had special mention in his "State of the State" address.

The Legislature is now taking the Governor's budget as the basis for its work on the biennial budget, which the Legislature attempts to complete by July 1 (often it takes additional time to finalize the budget). The final budget goes to the Governor, who can veto sections of the budget unless 2/3 of each house of the Legislature overrides the veto.

What Are the Goals of *Quality Care for Quality Kids*?

- ★ To help parents make informed choices
- ★ To improve child care quality, particularly for low-income families

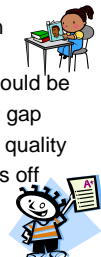
The governor presented two goals for the program:

To help parents make informed choices.

To improve child care quality, particularly for low-income families

Why Was *Quality Care for Quality Kids* Proposed?

- ★ Importance of early years: brain development
- ★ Concerns: quality not what it should be
- ★ School readiness: achievement gap
- ★ Belief: all children deserve high quality
- ★ Evidence: early investment pays off



Importance of Early Years: Brain Development

Research has indicated that in the first five years of life crucial brain development occurs that serves as the foundation for a child's learning and personality development.

School Readiness: Achievement Gap

Research has demonstrated that children from low-income families (or what researchers call "lower socioeconomic status") are dramatically less likely to succeed in school.

Concerns- Quality Not What It Should Be

In Wisconsin, concern about the quality of child care is growing: while most child care is safe and nurturing, child care often lacks the features that help children maximize their learning.

Belief: All Children Deserve High Quality

Quality Care for Quality Kids is based on a belief that all children deserve high quality early care and education in whatever setting they are in

Evidence: Early Investment Pays Off

There is growing evidence that early care and education is an effective and cost-effective investment. Studies of high quality early intervention programs have found remarkable long-term positive effects.

What Have Other States Done?

- ★ 14 states have statewide systems with 3 or more quality levels
- ★ 21 other states have at least some form of quality levels
- ★ 2 states have been evaluated
 - ◆ NC and OK
 - ◆ Both found improvement in quality



The following 14 states are statewide and have three or more levels: CO, Washington DC, KY, MD, MA, MT, NM, NC, OK, PA, SC, TN, TX, VT

The following 21 states have some form of quality levels but not to the degree of the 14:

AZ, AR, CT, FL, GA, HI, IN LA, ME, MS, MO, NE, NV, NH, NJ, NY, OH, UT, WV, WA, WI

KS has a citywide pilot in Kansas City that was not considered as one of the 21.

Source: NCCIC Web site, State Tiered Quality Rating Strategies, 2004, NCCIC (nccic.org/poptopics/index.html)

What Are the Key Principles?

- ★ All regulated child care should be included
- ★ System should be:
 - ◆ Simple to understand
 - ◆ Valid and realistic for providers
 - ◆ Efficient to administer
- ★ System should be built upon existing systems
- ★ Quality should be rewarded

All Regulated Child Care Should Be Included in the Quality Rating System

The Task Force wanted the quality rating system to include all regulated child care, whether licensed by the state to operate, or certified for public funding.

The system should be:

Simple to understand, especially for parents

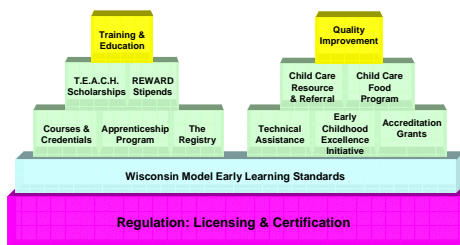
Valid and realistic for providers: the quality indicators should be objective and clearly related to quality, and reasonable for programs to meet.

Efficient to administer

Instead of creating new bureaucracies, the system should be built upon the existing child care infrastructure as much as possible.

The system should be designed so that high quality programs are rewarded, with incentives to improve quality.

Wisconsin Is Building on Strength



Quality Care for Quality Kids is intended to build on the strengths of Wisconsin's child care infrastructure:

Strong regulatory system

Model child care subsidy system

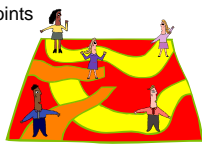
Well developed data system

Statewide resource and referral system for parents

Strong training and education system for child care workers

How Would the System Work?

- ★ Foundation:
regulatory compliance
- ★ Point system: programs can earn a maximum of 30 points
- ★ 5-star system depending on total points earned
- ★ Multiple paths for earning points



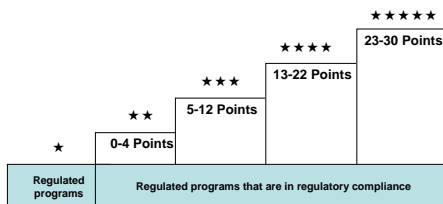
The foundation of the system is regulatory compliance. Child care programs must be in substantial compliance with licensing or certification rules before earning higher star ratings. This requirement sets Wisconsin apart from other states' quality rating systems.

The system's primary feature is a point system: Programs can earn up to 30 points for meeting specified quality indicators.

Programs are rated on a 5-point scale, based on the number of points earned.

The system is designed so that programs have multiple paths for earning points. Higher quality can be achieved in different ways.

Wisconsin's Model for Child Care Quality Rating System



This is the basic model for the Wisconsin child care quality rating system.

All regulated programs receive at least one star.

Programs meeting a defined threshold for "regulatory compliance" can earn from 2-5 stars, depending on the total number of points earned.

Quality Rating Systems

- ★ Group child care centers



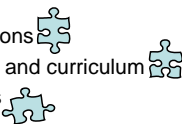
- ★ Family child care programs



The system has two parallel rating systems: one for group child care centers, and one for smaller family child care programs.

Three Quality Indicators

- ★ Educational qualifications
- ★ Learning environment and curriculum
- ★ Professional practices



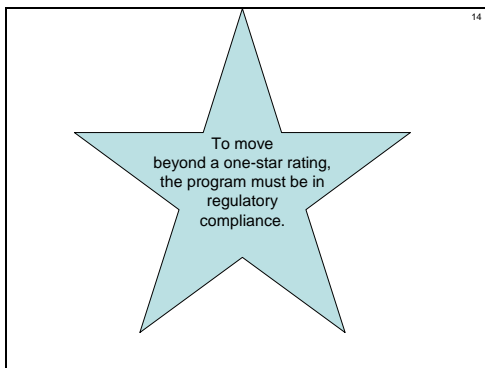
Points are earned in three different categories for quality indicators:

The Educational Qualifications of family child care providers, center directors and teachers.

Learning Environment and Curriculum: How is the program designed to enhance early learning?

Professional Practices: What professional practices does a program follow to improve overall quality?

Research clearly ties these elements to overall quality of child care.



There is currently a working definition for regulatory non-compliance, but the definition is still under development.

Background information, if questions come up, could include consideration of the following components:

Numerous (10+) violations in a single visit

OR

Repeat serious non-compliances

Child guidance

Staff to child ratio

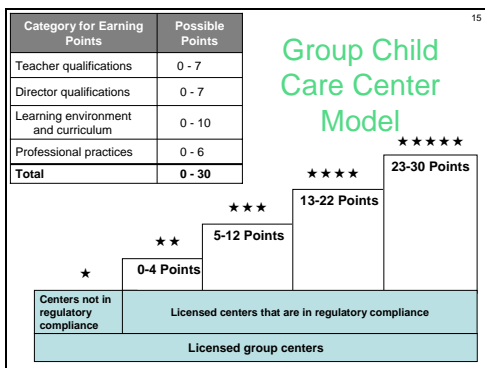
Group size

Director qualifications

Supervision of children in care

OR

Enforcement action



Interpretation of Star Ratings in the Group Child Care Model

★ The center is licensed AND out of compliance with regulatory standards.

★★ The center is licensed, meets the standard for regulatory compliance, AND earns 0-4 quality indicator points.

★★★ The center is licensed, meets the standard for regulatory compliance, AND earns 5-12 quality indicator points.

★★★★ The center is licensed, meets the standard for regulatory compliance, AND earns 13-22 quality indicator points.

★★★★★ The center is licensed, meets the standard for regulatory compliance, AND earns 23-30 quality indicator points.

1. Educational Qualifications: Group Center Teachers and Directors

| Classrooms | Teachers | Points | Director | Points |
|------------|-------------------|--------|---|--------|
| 25% | 6+ Credits | 1 | Administrator Credential | 1 |
| 50% | 6+ Credits | 2 | AA or BA | 3 |
| 25% | Degree | 3 | Administrator Credential + (AA or BA) | 4 |
| 100% | 6+ Credits | 4 | BA (related) | 5 |
| 50% | Degree | 5 | BA (related) + Administrator Credential | 6 |
| 100% | Degree | 6 | Graduate degree (related) | 7 |
| 100% | Related BA degree | 7 | | |

Educational qualifications for group child care teachers and directors

Assumption: A center that could staff each classroom with a teacher who has a Bachelor's degree would receive the maximum number of points. To calculate the number of points, we would first need to know the number of classrooms. We would then calculate the percentage of teachers meeting designated criteria for credits and degrees. Points are non-cumulative. Each program would receive a maximum of 7 points for teacher qualifications, and 7 points for director's qualifications.

Credits = Teachers with 6+ credits related to ECE

Degree = Teachers with BA or related AA

Related= Training is in a field related to the position of the teacher or director

Administrator Credential = An 18 credit credential for administrators of child care programs.

AA = Associate degree related to Early Care and Education

BA= a Bachelor's degree

Educational qualifications would need to be verified and collected in a single database (e.g. The Registry).

| 2. Group Centers: Learning Environment and Curriculum | |
|--|-----------------|
| Quality Indicator | Possible Points |
| Well equipped learning centers | 2 |
| Weekly lesson plans with daily reading | 2 |
| Uses WI Model Early Learning Standards | 2 |
| Uses quality improvement assessment process | 2 |
| Assessment administered by outside group | 1 |
| Accreditation | 10 |

To determine the number of points each program receives for Learning Environment and Curriculum, someone will need to visit each program (unless it is already accredited), probably annually, to rate it on these indicators:

Each classroom has 5+ well equipped, clearly defined learning centers

Each classroom has written weekly lesson plans with at least 15 minutes of reading/early literacy activities daily

The center uses a curriculum aligned with the Wisconsin Model

Early Learning Standards

Documented annual use of quality improvement assessment process, using environment rating scales, accreditation self-study, or other approved methods, with a written improvement plan

The preceding quality improvement assessment process administered by an outside, trained and reliable entity

Accreditation means the program is accredited by the National Association for the Education of Young Children or equivalent standard (The task force mentioned the following as a starting point for equivalents: National After School Association (NAA), City of Madison, Head Start Performance Standards).

These indicators are Cumulative (points for each indicator can be added up) with a maximum of 10 points

| 3. Group Centers: Professional Practices | |
|---|-----------------|
| Quality Indicator | Possible Points |
| Business practices | 2 |
| Staff benefits | 2 |
| Parental involvement | 2 |

To determine points for Professional Practices, an on-site visit will also be required using the following categories:

Business Practices – Includes quality indicators like professional development opportunities, staff development plan, written evaluation of staff, staff retention, Child Care Food Program participation

Staff Benefits – Includes quality indicators like having a salary scale linked to education qualifications, health care benefits, and paid vacation

Parental Involvement- Includes quality indicators demonstrating parent involvement, like parent newsletters, parents serving on advisory boards, and parent/teacher conferences

These indicators are cumulative, with a maximum of 6 points.

| Category for Earning Points | Possible Points |
|---|-----------------|
| Family child care provider qualifications | 0 - 14 |
| Learning environment and curriculum | 0 - 10 |
| Professional practices | 0 - 6 |
| Total | 0 - 30 |

Family Child Care Model

★

0-4 Points

Programs not in regulatory compliance

★★

5-12 Points

FCC: high school diploma (or equivalent)

★★★

13-22 Points

Regulated programs that are in regulatory compliance

★★★★

23-30 Points

Licensed or certified family child care programs

Interpretation of Star Ratings for Family Child Care

★ The program is licensed or certified AND out of compliance with regulatory standards.

★★ The program is licensed or certified, meets the standard for regulatory compliance, AND earns 0-4 quality indicator points.

★★★ The program is licensed or certified, meets the standard for regulatory compliance, the provider has a high school diploma or equivalent, AND the program earns 5-12 quality indicator points.

★★★★ The program is licensed or certified, meets the standard for regulatory compliance, the provider has a high school diploma or equivalent, AND the program earns 13-22 quality indicator points.

★★★★★ The program is licensed or certified, meets the standard for regulatory compliance, the provider has a high school diploma or equivalent, AND the program earns 23-30 quality indicator points.

Note: The high school diploma requirement was added to make family child care standards equivalent to group child care centers standards. Center-based licensing rules require teachers to have a high school diploma or equivalent, but family child care rules currently do not.

| 1. Family Child Care: Educational Qualifications | |
|---|--------|
| Family Provider | Points |
| CDA or 6 related credits | 1 |
| Infant-Toddler Credential | 3 |
| Administrator Credential | 4 |
| Related AA or unrelated BA | 7 |
| (Related AA or unrelated BA) + CDA | 8 |
| (Related AA or unrelated BA) + (Infant Toddler or Administrator Credential) | 10 |
| BA (related) | 13 |
| BA (related) + (Infant-Toddler or Administrator Credential) | 14 |

In family child care, teaching and administrative responsibilities are held by a single person: the family child care provider, for a maximum of 14 points, similar to the total maximum in centers for the educational qualifications of teachers and director.

CDA= Child Development Credential, a credential based on competencies

Infant-Toddler Credential: Wisconsin's 12-credit credential for child care workers serving infants and toddlers

Administrator Credential: Wisconsin's 18-credit credential for administrators of child care programs

AA= Associate Degree

BA= Bachelor's Degree

Related= in a field related to the position of a family child care provider

| 2. Family Child Care: Learning Environment and Curriculum | |
|---|-----------------|
| Quality Indicator | Possible Points |
| Well-equipped learning environment | 2 |
| Weekly lesson plans with daily reading | 2 |
| Uses WI Model Early Learning Standards | 2 |
| Uses quality improvement assessment process | 2 |
| Assessment administered by outside group | 1 |
| Accreditation | 10 |

These quality indicators are essentially the same as those for group child care centers, with some adjustments for the smaller setting.

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3. Family Child Care: Professional Practices

| Quality Indicator | Possible Points |
|-------------------------|-----------------|
| Business practices | 2 |
| Provider/staff benefits | 2 |
| Parental involvement | 2 |

Details for the Professional Practices category have not yet been worked out but may include:
 Business Practices - a professional development plan and Child Care Food Program participation
 Provider/Staff Benefits – providers have a contract with their customers laying out vacation, retirement, and other benefits
 Parental Involvement –parent newsletters, parent/provider conferences

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Tiered Reimbursement

Principle: Higher subsidy payments for higher quality

Tiered reimbursement means higher subsidy payments for higher quality, based on tiers or steps in quality ratings.

The Quality Care for Quality Kids tiered reimbursement system makes payments to child care programs receiving child care subsidy payments for serving low-income children based on the quality rating of the programs.

80% of licensed providers participate in the subsidy system.

Quality Care for Quality Kids will link the subsidy money to quality.

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WI Shares Subsidy This Year

- ★ Budget: \$300 million
- ★ 86,000 children (48,000 families)
- ★ 9,000 child care programs participate
- ★ Automated payment system

To understand the impact of the Tiered Reimbursement system, it is helpful to understand the size of Wisconsin Shares, the child care subsidy program that helps low-income working families afford child care.

The annual budget for Wisconsin Shares exceeds \$300 million
 The average payment to a child care facility per child per month for 2004 was \$472.

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Why Link Reimbursement to Quality?

- ★ Quality care is more expensive to provide
- ★ Qualified workforce costs more
- ★ Government would get what it pays for
- ★ Accountability for public funds

Why link reimbursement to quality?

Quality is more expensive to provide: There is a gap between what most parents can afford and what it costs to maintain a quality center
 Qualified workforce: A key ingredient in quality is qualified staff, and to attract and retain a more educated workforce is costly. Currently 14% of Wisconsin Child Care teachers have a Bachelor's degree, and only 28% have an Associate degree.

Get what it pays for: Government spends \$300 million on child care subsidies for low-income children – that money should be invested wisely

Accountability: Government should make sure that public funds help low-income children develop and prosper

How Are Payments Determined under the Current System?

- ★ Child care programs set prices in the private market
- ★ Government measures private market prices in each county (per age group) to set maximum reimbursement rates
- ★ State pays each program the lesser of:
 - ♦ The program's price minus family's co-pay
 - ♦ The maximum rate minus family's co-pay



Example:

Program charges \$100 a week for 4 year-olds

Maximum county rate for 4 year-olds is \$120 a week

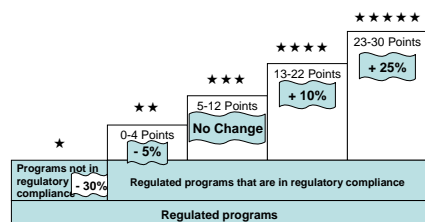
Family co-pay (based on family income) is \$15 a week

State pays \$85

Family pays \$15

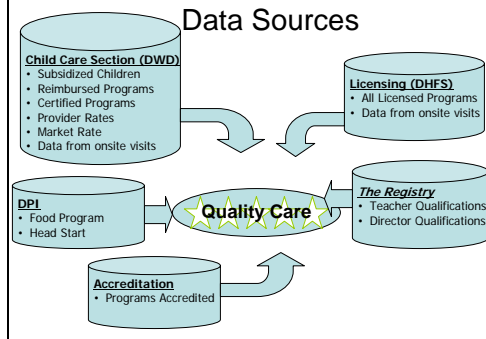
Program collects \$100

How Would Payments Change Under the Tiered Reimbursement System?



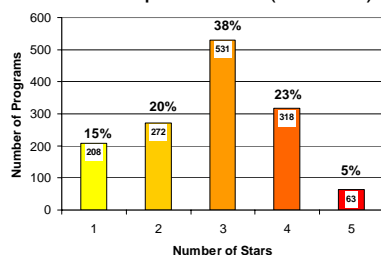
This slide shows how payments to subsidy programs might be adjusted under the Tiered Reimbursement system proposed. It is possible that Tier 4 and 5 programs would receive a separate “quality” bonus payment to supplement their regular subsidy payments under the current system.

Data Sources



This slide shows key data sources that are essential to operating Quality Care for Quality Kids, and where they come from. The good news is that Wisconsin has a fairly sophisticated child care data system. However, for Quality Care for Quality Kids to work efficiently, enhancements are needed.

Estimated Star Levels for Group Centers (n=1392)



This slide provides estimates, based on available data, of how Wisconsin's child care centers would rate under the 5-star system. Not all data related to quality indicators was available, but this gives an idea of how Wisconsin child care programs are likely to stack up.

The data came from merging group centers that are in The Registry, the Child Adult Food program and national and local accreditation lists. More than half of the group centers were used for this analysis.

Putting It Together: Three Examples

- ★ How could points be earned?
- ★ How many stars would a program receive?
- ★ How would it impact subsidy payments to a program?

Three slides will follow showing examples that will answer three questions

Example 1: Family Child Care Program

- ★ The provider has the Infant-Toddler Credential
- ★ She has a well designed learning environment
- ★ She participates in the Food Program
- ★ She has outstanding parent involvement

| Category | Points Earned |
|-------------------------------------|---------------|
| Provider qualifications | 3 |
| Learning environment and curriculum | 2 |
| Professional practices | 3 |
| Total | 8 |
| Stars | *** |

This provider would receive the same reimbursement as in the current system

This program earns 8 points from 3 quality indicator categories.

For the 8 points, the program receives a 3 star rating.

Because this is a star 3 program, there is no effect on reimbursement in the subsidy program.

Example 2: Licensed Group Center

- ★ 70 children (5 on subsidy) enrolled in 6 classrooms
- ★ 10 teachers
 - 8 have taken the courses required by licensing
 - 2 have 6 related credits
- ★ Each classroom has a weekly lesson plan with 15 minutes of reading daily

| Category | Points Earned |
|-------------------------------------|---------------|
| Teacher qualifications | 1 |
| Director qualifications | 0 |
| Learning environment and curriculum | 2 |
| Professional practices | 0 |
| Total | 3 |
| Stars | ** |

Loss of \$5 per week (\$260 per year)

This program earns 3 points from 2 quality indicator categories. Two teachers, from two different rooms meet the 25% classroom coverage of 6 credits, earning one point. The weekly lesson plan with 15 minutes of daily reading earns two points.

For the 3 points, the program receives a 2 star rating.

Because this is a star 2 program, there is 5% reduction in what the state will maximally pay.

Assumes a charge of \$115 per week and a maximum county rate of \$120 (and children at the same age)

The new maximum rate for this program is set at 5% less than \$120 = \$114

Since the program charges \$115, it will lose \$1 per child per week. For the 5 children on subsidy, the child care program losses total \$5 per week or \$260 per year.

Example 3: Licensed Group Center ³³

- ★ 70 children (5 on subsidy) enrolled in 6 classrooms
- ★ 10 teachers
 - 3 have 6 related credits
 - 7 teachers with required courses
- ★ Director: Administrator Credential
- ★ Weekly lesson plan with 15 minutes of reading daily
- ★ 5 well equipped learning centers
- ★ Curriculum aligned with WI Model Early Learning Standards
- ★ Written evaluation of staff and staff development plan
- ★ Has a parent newsletter and a parent on the advisory board

| Category | Points Earned |
|-------------------------------------|---------------|
| Teacher qualifications | 2 |
| Director qualifications | 1 |
| Learning environment and curriculum | 6 |
| Professional practices | 4 |
| Total | 13 |
| Stars | ★★★★ |

Gain of \$60 per week (\$3,120 per year)

This program earns 13 points from 4 quality indicator categories. Three teachers from different rooms make 50% of the classrooms (3/6) have a teacher with 6 related credits, earning 2 points. The director's qualifications (Administrator Credential) earn the program 1 point. Because of lesson plans, learning centers, and curriculum, the program earns 6 points. For staff evaluations/development plans and parent involvement, the program earns 4 points.

For the 13 points, the program receives a 4 star rating.

Because this is a star 4 program, it receives a 10% bonus.

Assumes a charge of \$115 per week and a maximum county rate of \$120 (and children at the same age)
 The bonus for programs at 4 stars in this county is set at 10% of \$120 = \$12 per child
 For the 5 children on subsidy, the child care program gains total \$60 per week or \$3,120 per year.

How Would Quality Ratings Help Parents? ³⁴



- ★ Parents make choices based on several factors:
 - Convenience
 - Cost
 - Quality
- ★ For the first time in Wisconsin, parents would have systematic quality ratings

In the past, parents have often asked how they know the quality of child care programs. They were often directed to a check list they could use in rating the programs. Child Care Resource and Referral programs were understandably reluctant to give out their "opinions" about the quality of program, since there was no objective rating system in place. The new system would provide comparative information for parents to use.

Oklahoma reports parents paying considerable attention to quality ratings there after several years of their quality rating program.

How Would Parents Learn about the Star System? ³⁵



- ★ Child Care Resource and Referral agencies
- ★ County and tribal child care agencies
- ★ Public awareness campaigns
- ★ Statewide website

What Remains to be Decided? ³⁶

Implementation Details

- ★ Who will administer different aspects of the system?
- ★ How will the data be merged into a single system?
- ★ How will quality indicators be defined in detail?
- ★ How often will ratings change?
- ★ What kind of appeal process will be in place?

While the basics of Quality Care for Quality Kids has been recommended, many implementation details remain.

When Will the New System Start?

- ★ First the program will have to be passed in the Legislature.
- ★ Current estimates are that Quality Care for Quality Kids would start no earlier than July 2006.



Quality Care for Quality Kids is a Strategic Intervention Designed to

- ★ Improve quality of child care in Wisconsin
- ★ Help parents select better child care
- ★ Create incentives for programs serving low-income children
- ★ Lead to other investments in quality: corporations, foundations, United Way
- ★ Demonstrate better stewardship of public tax dollars

Quality Care for Quality Kids is designed as a strategic intervention in the private child care market. It has the promise of many positive outcomes.

Like all new programs, it will face many challenges, and could have unintended consequences.

But certainly, the emergence of this proposal indicates the growing importance that the public is placing on early care and education.

For More Information

Go to the Quality Care for Quality Kids website:

<http://dwd.wisconsin.gov/kidsfirst/default.htm>



Power Point Created by

- Wisconsin Child Care Research Partnership at UW-Extension in conjunction with the Child Care Section at the Department of Workforce Development



<http://www.uwex.edu/ces/flp/wccrp/>



<http://dwd.wisconsin.gov/dws/programs/childcare/>